

INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

No. 30,297

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PARIS, TUESDAY, JULY 15, 1980

Established 1887

Ford Rules Out Vice Presidency; Leaning to Bush

By Hedrick Smith

DETROIT, July 14 (NYT) — Former President Gerald Ford, asserting that "under no circumstances would I be the candidate for vice presidency," yesterday indicated his preference for George Bush or Sen. Howard Baker (Tennessee as Ronald Reagan's "big man."

Mr. Ford, well-placed sources said, has told associates he thinks Mr. Reagan's smartest choice politically would be Mr. Bush, the former congressman, diplomat and director of central intelligence who mounted the most vigorous challenge to Mr. Reagan's candidacy.

But in a television interview yesterday, Mr. Ford sidestepped an endorsement, saying he would save it for a private meeting with Mr. Bush tomorrow. The sources said he was planning to advise the former California governor to pick Mr. Bush.

In the interview, Mr. Ford said Mr. Reagan would be best served "somebody who would broaden the base, who would heal any differences, who would have greater background than he has in Washington." Then, commenting on half dozen candidates, Mr. Ford gave strongest accolades to Mr. Bush, Sen. Baker.

In addition, some Reagan sources said that the candidate was also being considered by some of his own lieutenants and longtime political allies, who say that with Mr. Ford himself out and with Sen. Bush strongly opposed by the conservative wing of the party, Mr. Ford was the best choice.

"Biggest Problem" both Mr. Reagan and his staff, Edwin Meese, sought to off public efforts to narrow the field of candidates he is considering. "I have not made a decision and I still gathering input," Mr. Reagan said yesterday. "It is the biggest problem confronting me now. I am not sitting here with some tucked away in the back of

my mind, comfortably waiting for the time to reveal it."

In addition to Sen. Baker and Mr. Bush, high-level Reagan sources say, attention has been given to Donald Rumsfeld of Illinois, the former congressman and secretary of defense; Sen. Richard Lugar of Indiana; and, to a lesser degree, to Rep. Guy Vander Jagt of Michigan and Rep. Jack Kemp of New York. Mr. Meese cautioned today that the choice might be someone "who isn't under much emphasis."

Mr. Reagan's dilemma, his top lieutenants said, is to find a running mate with whom he feels personally and philosophically compatible, who would help the most in the fall campaign, be a suitable successor if he were incapacitated and who would not cause a rift with his longtime conservative supporters.

Mr. Ford's comments in support of Mr. Bush and Sen. Baker on ABC's "Issues and Answers" could backfire, some well-placed Republican said, if either the conservatives or Mr. Reagan himself read the comments as an effort to influence the choice too publicly.

But one of the most important conservative spokesmen, Sen. Paul Laxalt of Nevada, the national Reagan campaign chairman, seemed to offer some flexibility by asserting that none of those under active consideration was "too far out."

"All Could Qualify" "George Bush, Howard Baker, all these could qualify," Sen. Laxalt said in a television interview. But later he predicted much stronger conservative disaffection if Mr. Reagan picked Sen. Baker than if he chose Mr. Bush. Conservatives are particularly irked by Sen. Baker's support of the Panama Canal treaties.

Nonetheless, the conservative wing of the party has not been able to rally around a single figure as a clear alternative to Mr. Bush or Sen. Baker. Moreover, a more moderate choice would seem to fit with the

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The 1980 Republican National Convention opened yesterday at the Joe Louis Arena in Detroit.

Republican Convention Opens

Reagan Predicts Soviet Boost for Carter

By David S. Broder

DETROIT, July 14 (WP) — The Republican National Convention, which will name Ronald Reagan the party's presidential candidate, opened today in a blaze of patriotic color and a blast of patriotic rhetoric.

On the eve of the convention, Mr. Reagan said he expected the Soviet Union to try to help Mr. Carter defeat him in the November election.

In an interview in California taped yesterday for airing tonight on CBS-TV's "60 Minutes," Mr. Reagan said: "I think very definitely the Soviet Union is going to throw a few bones to Mr. Carter during the coming campaign in order to help him continue as president. I would be very worried about me if the Soviet Union wanted me to be president."

White House Press Secretary Jody Powell said Mr. Carter would have no comment on Mr. Reagan's remarks.

Soon after the convention was gavelled to order at 11:03 a.m., Sen. Richard Lugar, R-Ind., who is seen

as a vice presidential contender, delivered a speech attacking President Carter for diminishing Americans' freedoms at home and permitting the Russians to gain military superiority.

'Still Time'

"Thank goodness for a chance to undo the damage of a mistaken presidency while there is still time," Sen. Lugar said.

"After we have been overtaxed, overregulated and overgoverned, we learn that our taxes and our sacrifices of personal freedom were not used to ensure an adequate defense."

He said, "America has been held hostage because Jimmy Carter has been weak and ineffective. ... He has failed in the worst way a president can. He has increased the possibility of war."

By contrast, he said, "Ronald Reagan understands that if America offers steady and reliable leadership, we will find support from our allies in Western Europe, Japan, Australia and elsewhere and we will rebuild an effective free world alliance."

Mr. Reagan arrived in Detroit this afternoon to join the 1,994 delegates, who will officially nominate him Wednesday as the Republican standard-bearer, and the thousands of visitors and journalists who have streamed into the city.

In an arrival statement, the nominee-apparent endorsed the Republican platform and attacked Carter economic policies. "Our party is offering America a growth-oriented, productivity-oriented alternative to the high unemployment, high inflation and high taxes of the Carter administration," he said.

Echoes of Dissent

While everything appeared primed for an enthusiastic welcome for Mr. Reagan and an untroubled nomination, echoes continued to resound from last week's platform disagreements. And while the convention emphasized Republican unity, party supporters of the Equal Rights Amendment staged another rally today in an attempt to persuade Mr. Reagan to moderate his positions on women's issues that now divide the party.

"Equal rights with a small 'E' and a small 'R' will not do," said Helen Miliken, wife of the Michigan Republican governor, after yesterday's rally. Mr. Reagan told CBS: "I'm for equal rights. I can prove it by my record."

Mr. Reagan's top strategists de-

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Soviet Retaliations Called Devastating

50 Afghan Villages Reported Razed

By Stuart Auerbach

NEW DELHI, July 14 (WP) — Soviet jets, helicopter gunships and armored vehicles have "reduced to rubble" 50 to 60 Afghan villages during the past two weeks in apparent retaliation for rebel ambushes that took place nearby, a specialist in close contact with Kabul reported here today.

"These are either retaliatory raids or done to intimidate Afghans or done because the villages are suspected of harboring insurgents," said the specialist, a non-Communist diplomat.

Some of the raids took place in areas where large Soviet supply convoys were ambushed by rebels within the past 10 days.

In one of those ambushes, the source said, 27 Soviet trucks, including large petroleum tankers, were destroyed while heading east on a road from Bamian toward the new Soviet military airport at Baghram. Another ambush was near Gardez, south of Kabul in eastern Afghanistan near the Pakistani border.

The source said that the latest Soviet raids, which he estimated had resulted in "thousands and thousands" of casualties as well as sending streams of refugees heading toward Kabul, signal a new change in the six-month-long Soviet attempt to pacify Afghanistan.

"Fewer Soviet troops are engaged, but more air power is being used," the source said. "That's a change, and it is a change that is seen and resented." There have been no recent reports, as there were in May and June, of search and destroy missions aimed at expanding the area of Soviet control in Afghanistan.

The source said that the rebels now are attacking the roads more actively than they have in the past, and that the Soviet troops have little control over many major cities besides Kabul. He called Kandahar, Afghanistan's second largest city, "virtually Indian territory" except for the airport and the military headquarters, which the Soviet forces control, and said Herat, the country's third largest city, near the Iranian border, was "a mess."

At the same time, the diplomat noted increased activity at Kabul's airport over the past five days, with the Soviet Union apparently en-

gaged in a massive resupply effort.

He said that lighter, more mobile armored vehicles that will be able to pursue rebels off the roads into the untracked hills and valleys of Afghanistan were seen being unloaded from giant Soviet transport planes. Some of the equipment was also seen being reloaded onto smaller planes, presumably to be sent to Soviet bases away from the Afghan capital.

The source said his estimate of the number of casualties in the Soviet retaliatory raids as "thousands

and thousands" was based on "assumptions and extrapolations."

Other reports reaching New Delhi have described Soviet retaliatory raids on villages, but most have emphasized that the number of casualties was slight — mainly because the villagers were warned by rebels that the attacks were probable.

Now, however, it appears that the Russians have widened their net and are staging raids for intimidation purposes as well, in villages farther away from the rebel attacks

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At Least One Hostage Is Held at Isfahan Site

By Jay Ross

ISFAHAN, Iran (WP) — At least one — and possibly many more — of the American hostages who have been spread around Iran is living under guard at 70 Kamal Esmail Ave. in Isfahan, the architectural showpiece city of a 16th century Persian monarch.

The house, formerly owned by an informer for SAVAK, the dreaded security police under the deposed shah, is in one of the best sections of the central Iranian city. It is well guarded, featuring a sandbagged sentry post atop the entrance gate, numerous self-appointed vigilantes and the omnipresent anti-American banners of Iran's Islamic revolution.

The price for discovering that the house, mostly hidden by an imposing 60-foot-long wall, is a hostage site was considerable. This reporter and Doyle McManus of the Los Angeles Times spent 4½ hours being held by Revolutionary Guards, our hotel rooms were searched and we were ordered to leave the city.

The site is not hard to spot. It bears a prominent sign saying it is the headquarters of "Students Following the Line of the Imam [Ayatollah Ruhollah Khomeini]." The U.S. Embassy in Tehran, which the militants took over Nov. 4, carries similar signs.

Several sources have said in recent weeks that they thought some of the hostages were moved to the Isfahan house after the militants at the embassy decided to split up their captives following the U.S. rescue attempt in late April.

The militants have said that they have scattered hostages around the country, leaving considerable question about how many of the 49 remaining captives from the embassy are in the capital. Three American hostages are at the Iranian Foreign Ministry, and one of the embassy hostages has been released for medical treatment.

Unfriendly Reception

The reception outside the gate for two reporters and a translator was unfriendly — a Revolutionary Guard in the sandbagged post pointed his rifle at us. But it did not take long to gain confirmation that there was at least one hostage inside.

Three militants came out to talk — or, more accurately, to discourage talk.

"We will not tell you anything," said one man. Then, when asked whether the estimate of six hostages at the site was accurate, he said, "There are between one and 50."

Soon we got further, unwelcome confirmation. It was impossible to get a closer look at the house. The students took offense at our copying down revolutionary slogans from the wall and ordered us to the nearby Revolutionary Guards headquarters, where our notes were temporarily seized.

During 2½ hours of questioning, one of the security agents at the guards office said repeatedly that there were hostages down the street at 70 Kamal Esmail Ave.

SAVAK Rewards

The Revolutionary Guards office was formerly the local headquarters of SAVAK, and the surrounding buildings for about a quarter of a mile had been given to SAVAK informants as rewards for their services, the interrogator said.

It seemed highly unlikely to me that the security agent was seeking to mislead me about the hostages by planting false information.

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Ex-Premier's Imminent Return Stirs Burma

Culmination of Series of Conciliatory Moves by President Ne Win

By Henry Kamm

ANGOON, July 14 (NYT) — In muted atmosphere of this most unmonstrous of countries, the ending return from 11 years of Burma's outstanding political leader since independence in 1948 is causing ripples of excitement and speculation.

Oh, thank you very much for good news," said a woman in midday when told that U Nu, the minister until his overthrow in 1962, the current president, U Nu Win, had been invited to return and had accepted. The event has been ignited by the heavily censored mass press and is known only through foreign radio broadcasts.

The woman was one of the few mass encountered in two days of Angoon and five days in the border of the country who had not heard rumors of Mr. Nu's impending return. The president's invitation. Others did not volunteer their knowledge in conversations with a signer — still a comparative rarity in this closely controlled and isolated nation of about 33 million.

But when the subject was raised, mass responded with expressions of delight and often of hope. I said they were pleased at the return of the 73-year-old leader, whose popularity has been enhanced by 18 years in prison, in the political wilderness at home and in exile, as well as of an armed rebellion and in Buddhist meditation.

Most said they thought his presence would improve life in the impoverished land. But a few felt it would change under Gen. Win's authoritarian, one-man



U Nu

one knows how many people were confined in prisons and labor camps for political acts, but numbers as high as 60,000 have been advanced.

The president's decision was announced as a surprise to a joint meeting of the Central Executive Committee of the ruling Burma Socialist Program Party and all principal organs of state. At the same time, Gen. Ne Win announced the creation of a title of honor, with cash awards and lifetime pensions

to more than 200 persons who had distinguished themselves in the independence struggle and state service. Many of them were men Gen. Ne Win had previously jailed or removed from all political activity.

On the same day, the president invited two of his most prominent political foes and four generals — whom he had sacked — to lunch; dining with about 60 prominent government, party and military members, they were entertained with nostalgic reminiscences of the early days of independent Burma.

Curtain Opened

After the meal, a curtain was drawn, disclosing about 40 men of the next echelon of state prominence, who had eaten in seclusion but had been meant to hear the president's table conversation — which abounded in praise of those he had jailed or ousted and who still are mystified by their sudden glory.

One of them wrote the president a few days later to suggest that Mr. Nu be invited home.

On June 10, the former premier's daughter, her husband and their four children were allowed to leave for Bhopal, India, where Mr. Nu has been living as a secluded state guest since he left Thailand in 1974, after abandoning the leadership of an armed resistance movement against Gen. Ne Win. They had not

seen Mr. Nu since he left Burma in 1969, after three years of imprisonment and three more of seclusion in his modest Rangoon home.

They were followed two days later by two emissaries carrying a letter from the president. The contents have not become known, but the invitation was reliably reported to have included an assurance of full freedom for the former leader. They returned June 29 with Mr. Nu's acceptance.

His son-in-law and a grand-daughter also returned to find Mr. Nu's house, in which they live, taken over by about 50 workmen under the command of Gen. Tin U. Gen. Ne Win's military assistant and feared as the most powerful man in the country. The workers were repairing and renovating the one-story wooden house. Building materials and workers in this fully nationalized country are luxuries reserved for the elite.

On July 3, the president invited for dinner three distinguished judicial personalities, whom he had also removed from the highest posts, and treated them, too, to lavish and friendly hospitality.

Four days later, the president sent the wife of one of his revolutionary comrades-in-arms to Bangkok to persuade her husband and

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Cambodians Had Fled Border Fighting

Thais Deport 80,000 Refugees

From Agency Dispatches

BANGKOK, July 14 — Thai troops today began sending back to Cambodia 80,000 refugees who fled into Thailand during the weekend to escape fighting among rival factions of anti-Communist forces for control of the refugee camp at Nong Samet.

The Cambodians were being sent back home empty-handed, although many had been on the road for more than 15 days seeking food for their families.

In response to the factional battle in which 40 persons were killed and 114 injured, the Thai government ordered troops to crack down on the Free Khmer. Troops were ordered to disarm them and to separate them from the refugee civilians, according to the government.

The camp is on the Thai-Cambo-

dian border, 150 miles east of Bangkok.

The Free Khmer factions often have united in previous operations against Vietnamese troops who invaded Cambodia 18 months ago. Lately, however, they have fought among themselves for control of international relief supplies intended for hundreds of thousands of displaced Cambodians clustered along the border.

In Bangkok, representatives of five international relief agencies opened a meeting to decide where to send their food with famine rising again in devastated Cambodia. More than 250,000 Cambodian, Vietnamese and Laotian refugees are in United Nations holding centers in Thailand.

At the border distribution station of Nong Chan, 140 miles east of

Bangkok, the International Red Cross reported thousands of Cambodian villagers, many showing signs of serious malnutrition, arriving in ox carts in search of food.

After Vietnam's brief invasion of Thailand on June 23, the international agencies suspended the supply line that fed more than a million Cambodians. Under political pressure from the Vietnamese-installed government of Heng Samrin in Phnom Penh, the agencies have postponed its reopening and informed the Thai government that they intend to channel all their relief efforts through Phnom Penh.

Thailand, which does not recognize the Phnom Penh regime, has threatened to close its air and sea ports to international aid destined for Phnom Penh unless border relief operations also are continued.

Objectivity Doubt

The assurances have not satisfied Johanan Mintzer, an architect in the Department of Antiquities who is responsible for the Division of Monuments. He contended that because the engineering survey had been done for the project's development corporation, which is eager to press ahead, it lacked objectivity and thoroughness.

Furthermore, he said, it is important in making calculations to assume that the wall will be subjected to occasional earthquakes. In addition, he urged that pollution and vibration studies be made to assess the damage that traffic may do to the old stones.

Jerusalem's walls have crumbled and risen in varying configurations, and this section dates from Byzantine times — 324 to 629 — and from Ottoman rule, when the last wall around the city was completed in 1542.

Building Plans Stir Fears For Jerusalem's Old Wall

By David K. Shipler

JERUSALEM, July 14 (NYT) — The Israeli government is on the verge of approving plans for a major construction project alongside the ancient walls of the Old City of Jerusalem, despite concern by some experts in the Department of Antiquities that the walls may be undermined and archaeological treasures damaged.

The project, scheduled for a final hearing tomorrow, includes building a four-lane road in an open trench along the base of the wall, as well as putting in an underpass, a modern shopping arcade and an underground parking garage and bus terminal just outside Jaffa Gate at the western sector. The wall there was constructed in the Byzantine and Ottoman eras.

The city engineer, Amnon Niv, described the project as an effort to eliminate traffic congestion and unsightly parking and a step toward preventing private cars from passing through the gate into the narrow, twisting streets of the Old City.

He said that engineering tests had been done to make sure that the wall would remain stable, and he pledged that, as usual in Jerusalem, the project would be stopped if it uncovered anything of archaeological value.

The project has also encountered stiff resistance from architects and civic groups on aesthetic and planning grounds. They maintain that it will damage the famous view of the western side of the Old City near the Citadel, which Herod built shortly before the birth of Jesus, and that it will clash with the style and the tempo of the Old City, a warren of tiny markets, stone houses, churches, synagogues and mosques.

Arthur Kutcher, a U.S.-trained architect and a spokesman for a government-subsidized civic organization called the Council for Beautiful Israel, would like to see the road moved away from the walls and the shopping area. "The situation outside the wall is a very heavy commercial arrow at the heart of the Old City," Mr. Kutcher said, "concentrating more and more commercial activity within the gates and attracting bigger international investment, driving out the small shops and destroying the residential character of the Old City."

Mr. Niv countered that all construction would be outside the Old City and would have no commemorative effect. "The situation outside the gate today is really chaotic," Mr. Niv said. "You have a convergence of city bus lines, a terminal point for tourist buses, taxis, etcetera. The solution that was found was to take everything and put it underground."

Billy Carter Says Libyans Gave Gifts, \$220,000 Loan

WASHINGTON, July 14 (UPI) — Billy Carter, the president's brother, revealed today that the Libyan government has entertained him, paid for travel and bestowed gifts and a \$220,000 loan for promoting that country's interests in the United States.

Mr. Carter spelled out details of his publicized dealings in complying with a consent decree, filed in U.S. district court, that required him to register as an agent of Libya.

The decree was entered as a settlement of a civil suit, filed at the same time, charging Mr. Carter with acting as a Libyan agent without registering, in violation of the Foreign Agents Registration Act.

Violators are subject to criminal prosecution and maximum penalties of five years in prison and a \$10,000 fine, although in recent years the government has enforced the act solely through civil proceedings.

No Comment

The White House said it would have no comment on the matter. "We regard this as a private matter between the Justice Department and Billy Carter who happens to be the president's brother," a White House spokesman said. "There is no White House connection whatever and we don't plan to issue any kind of a statement on it."

Mr. Carter said he understood the \$220,000 in cash he received from Libya last January and an additional \$20,000 last April were paid

of a \$500,000 loan that had been approved.

No note or other papers have been executed in connection with the loan agreement and no additional payments have been received, Mr. Carter said.

Gifts from Libya, whose values were estimated, included four gold bracelets at \$100 each, a \$2,000 sash, a \$100 serving platter, a \$50 ceremonial sword, a \$150 suit of clothes and a \$150 native doll.

Trip to Libya

Mr. Carter estimated his trip to Libya with an associate in 1978 in September and October cost the Libyan government \$3,900, and another trip in September, 1979, cost \$9,780.

The Justice Department said Mr. Carter's role was nominal hosting of receptions and dinners in honor of a Libyan delegation, the undertaking of speaking engagements and the escorting of a tour of Libyan delegates in certain cities.

This was "for the purpose of portraying Libya to the American people as an emerging Third World nation, potentially friendly to the U.S. and interested in expanding its commercial contacts with the United States," the suit said.

Mr. Carter said he was aided in his dealings with Libyans by Henry Coleman of Plains, Ga., who accompanied him on some of his travels, as did Mr. Carter's son.

Fading Chance for Asylum Elsewhere

Vietnamese Find China Refuge a Trap

By James P. Sterba

HONG KONG (NYT) — By heading north on foot instead of south by boat, thousands of refugees from Vietnam have found themselves trapped against their will on Chinese state farms and communes with fading hopes of ever being reunited with friends and relatives who have been or are being resettled in North America, Australia, or Europe.

In interviews, refugee officials from the United States, Canada, and Australia said they no longer consider the refugees in China to be refugees since they have been living there for more than six months. The Hong Kong government has begun deporting as illegal migrants those refugees from Vietnam who have stayed in China six months or more.

"Many recipient countries take

the view that the refugees in China have exhausted their right to seek asylum elsewhere," said Ulrich Freyschmidt, Hong Kong resettlement officer for the United Nations High Commissioner for Refugees. "I know of no plans for any major resettlement operations for the refugees in China."

Chinese Generosity

Ironically, the reasons most of the refugees have been in China for more than six months include China's generosity in accepting them without a fuss, refugee patience in the face of Peking's sluggish bureaucracy, and the relative indifference of international refugee agencies.

About 260,000 refugees from Vietnam fled north into China in the past three years. Most of them were ethnic Chinese who lived in

the Communist north and were willing to settle in the southern provinces of their Chinese homeland, fishing and farming as they had done in Vietnam. Thousands more, however, were ethnic Chinese merchants who chose to flee into China temporarily instead of risking their lives in small boats in the South China Sea. An estimated 30,000 ethnic Vietnamese also fled north into China to escape banishment to new economic zones in their homeland.

In interviews with Western journalists who visited their camps and farms in southern China last fall, dozens of the refugees said they had come to China because they had no other choice and that they wanted to emigrate as refugees as soon as possible to other countries, mostly the United States, from where friends and relatives sent encouraging letters.

Since then, Chinese officials have compiled a list of 18,000 refugees who said they wanted to leave China. Last year, Chinese officials said the refugees were free to settle in China permanently or to go to other countries that would take them.

Little Interest

The other countries, however, have shown little interest. Their refugee officials said they have had the 18,000 Vietnamese refugees who fled by boat to Thailand, Malaysia, Singapore, Indonesia and the Philippines.

Unlike China, these nations were reluctant to accept any of the refugees. Malaysia and Singapore towed their boats out to sea. Hong Kong authorities initially refused to allow them to land. Only with guarantees from international agencies and major nations that the refugees would be fed, sheltered and resettled at no cost to the host government did neighboring nations allow the refugees to land and stay in camps.

China, on the other hand, quietly accepted, fed and sheltered refugees. Instead of being confined to camps and detention centers, the refugees were integrated into state farms, fishing villages and cooperatives, and other existing work units.

The Chinese government did not seek international aid to help the refugees until last year, when it received \$6.1 million from the United Nations. This year, the United Nations provided \$9.5 million.

18,000 Refugees

The tiny UN office in Peking, established late last year, has not yet begun to interview any of the 18,000 refugees in China who said they want to leave. There is some fear among refugee officials that once word spread among the refugees that immigration might be possible, thousands more will try to get their names on the list.

But since many nations have decided to lump them with ordinary Chinese seeking to emigrate, their chances are slim. Officials of both the Canadian and the Australian diplomatic missions here said that under their immigration acts, a person who becomes resettled in another country is not a refugee.

Many frustrated refugees in China simply ran away from their farms and communes and tried to make their way to Hong Kong. Of the 5,000 people who have arrived by boat in Hong Kong this year claiming to be refugees from Vietnam, more than 2,000 have been rejected because they had resided in China for more than six months. Hong Kong is awaiting permission from China to send them back.

In a few cases, refugees in China have gone back into Vietnam in order to escape for a second time to become fresh, acceptable refugees.



RAINY HOLIDAY — Vehicles from France's 2d Armored Division and other military units paraded down Paris' Champs Elysees yesterday in rain that marred many of the capital's festivities for the 191st French national holiday marking the storming of the Bastille. The rain stopped almost long enough to let President Valéry Giscard d'Estaing review the parade of more than 6,000 troops, but then it started again just as the assembly was beginning.

Future of Olympics Could Be Endangered

Politics Harming Sports, Killanin Warns

By Craig R. Whitney

MOSCOW, July 14 (NYT) — Lord Killanin, opening a session of the International Olympic Committee on the eve of the Summer Games in Moscow today, warned that future Olympics could also suffer if politicians continue to make use of sport for their own ends.

Lord Killanin, president of the 88-member body that sponsors the quadrennial Games, named no names but his remarks seemed directed mainly against President Carter and other Western governments boycotting the Moscow Olympics. He never mentioned the Soviet intervention in Afghanistan, the reason for the boycott, but spoke of the events of recent months.

"I deeply regret that many athletes, either through political dictation or the dictates of their own consciences, are not here with us at the Games," Lord Killanin told his audience, which included the Soviet deputy chief of state, Vassily Kuznetsov.

In his speech, in a ceremony in Moscow's Bolshoi Theatre during which a massive orchestra and choir performed the Soviet national anthem, Lord Killanin also said: "I have always held the view that there has been too much chauvinism, flag-waving, and anthem-playing at the Games. I believe recent events may prove a considerable justification of this point of view."

He confirmed, however, that despite pleas from individuals and teams asking to change the Olympic rules to allow athletes from boycotted countries to participate on their own, they would not be allowed. The executive committee decided this was impractical, he said.

The national Olympic committee of the United States, West Germany, Canada, Japan and many other countries are not among those of the 80 countries expected to participate in the Moscow Games, the smallest number since the 1956 Melbourne Olympics.

Lord Killanin's eight-year term as president of the international

Olympic body expires on Wednesday. He said today he thinks a new president should be elected in Moscow because, he said, new ideas and a fresh look are essential for the future.

The International Olympic Committee has scheduled meetings until Friday, the day before the official opening of the Games in Lenin Stadium. Alluding to the 1984 Olympics in Los Angeles, he said:

"I do not wish to make any statements which may be interpreted as being acrimonious, but I must re-

iterate that the Olympic Games are competitions between individuals and not between countries. Allocation of the Games to Moscow or to Los Angeles is not made in approval of the political philosophies of the governments of these countries."

Greek Suggestion

He said it would be premature to discuss a suggestion by the Greek government to avoid political rows in the future by staging the Games permanently in that country, where they originated in antiquity.

Soviet Retaliation Raids Said to Raze 50 Villages

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than before, the diplomatic source said.

He suggested that the stepped-up Soviet raids might also be aimed at trying to turn the Afghan population against the rebels, cut their supply lines and keep them off balance.

While the source acknowledged that his casualty figures were hard to support, he said the figure of 50

to 60 villages destroyed in the raids "is not exaggerated. It is an understatement." He said it was based on eyewitness accounts reaching Kabul.

Among the villages he listed as being destroyed in Soviet raids were two in the Paghman area, a short drive from Kabul — Bekhoo and Darch.

Other villages hit in massive aerial and armored attacks in the province of Kabul itself, he said, included Aab Darreh, destroyed July 1 by ground troops, armored columns and helicopter gunships, with 38 casualties, including 12 rebel fighters; Guldara, bombed July 3; Baghman, bombed Wednesday; and Gorbud, where eight insurgents were killed.

As a result of these raids, the source said, streams of refugees are moving toward Kabul, but authorities are refusing to allow newcomers to enter the city. The refugees, afraid to return to their home villages, were reportedly camping on roads outside Kabul.

The source said the government has imposed "Soviet-like internal passport controls" and insists on special permits to enter Kabul. Afghan sources in New Delhi have reported in the past week that all entrances to Afghanistan's capital are closed.

A sharp change in the pattern of Soviet air transport activity at Kabul's airport started Thursday, when the IL-76 transport planes began landing during the day as well as at night.

The said as many as a dozen of the big transport planes have landed each day. Among the cargo they were seen to unload were three types of light and mobile armored tracked vehicles — the low-slung, hatched BMD, a combination of an armored personnel carrier and a tank "that looks like they forgot to put the turret on a tank" but carries heavy firepower; the BMP, a mechanized infantry combat vehicle; and the BRDM, an armored scout car.

They appear to be replacing the heavier tanks, which military experts say are close to useless on the poor roads and rocky terrain of Afghanistan.

2-Year Term

The new rule establishes a fixed two-year term for chairman, beginning next January. Mr. Brock will be reelected at the end of the convention, with Mr. Reagan's support, but the nominee will have the option of replacing him after the election if Mr. Reagan is successful in gaining the White House. Mr. Brock passed the word that he endorsed the idea, so there was no fight.

The convention rules committee overruled a decision made last week by the party rules committee to drop from the national committee's executive committee representatives of black, Hispanic and other ethnic groups who have held ex-officio positions.

The full party rules committee voted to keep the chairman of the National Black Republican Council, the Republican National Hispanic Assembly, the National Republican Heritage Groups Council and several other groups on the executive committee, a panel that can act for the whole committee between its meetings.

The rules committee also voted yesterday to establish a rule requiring that all three members of the party's national committee from a given state approve before the Republican National Committee gives money to a candidate running in a contested Republican primary in that state.

Russia Refuses To Let French Envoy Speak

MOSCOW, July 14 (NYT) — Soviet authorities refused to let French Ambassador Henri Froment-Meurice make the traditional July 14 address over Soviet television because they objected to his planned reference to Afghanistan, French diplomatic sources said today.

Mr. Froment-Meurice's experience was similar to that of U.S. Ambassador Thomas Watson Jr., who was not allowed to make the traditional Fourth of July speech on Soviet television because he ascribed the worsening of U.S.-Soviet relations to recent Soviet actions, "particularly in Afghanistan."

French sources said Soviet authorities found Mr. Froment-Meurice's remarks on Afghanistan and East-West tension unacceptable even though the reference was a passing one. The ambassador refused to change the text of the prepared message, and his appearance was canceled.

WORLD NEWS BRIEF

Britain Supports Spanish EEC Membership

MADRID, July 14 (Reuters) — British Minister of Agriculture Walker said today there should be no delay over Spain becoming a member of the European Economic Community.

January 1983 is the target date for Spain's entry. Mr. Walker's pledge of British support for Spain followed last month's suggestion by French President Valéry Giscard d'Estaing that the two should solve existing problems before allowing Spain and Portugal to join.

New Hebrides Sovereignty Assured, Aide S

TARAWA, Kiribati, July 14 (UPI) — France and Britain have assured the New Hebrides that the island group's July 30 independence will proceed as planned.

The colony's chief minister, Walter Lini, said yesterday that the France was given by negotiators who met with rebels on the secession island of Espiritu Santo.

"But it was verbal on the part of the French and not written," Mr. Lini said. He was told that British and French ministers would make a joint statement in Paris on July 17.

14 Held in British Forgery Investigation

LONDON, July 14 (AP) — Detectives seized counterfeit U.S. bank and printing plates and arrested 14 persons in weekend raids in London, Scotland Yard said today. "We have prevented a potential national fraud on a massive scale," Detective Inspector Peter Gwynne said.

He said that one raid on a north London garage turned up 25 forged U.S. bills in \$100, \$50, \$20 and \$10 denominations; 500 bankers' drafts with a potential nominal value of about \$1.1 million; 50 forged British visitor passports.

None of those arrested was immediately named. Court appearances to start tomorrow, police said.

White Man Burned to Death in South Africa

JOHANNESBURG, July 14 (AP) — A white man was burned to death today when two vehicles were set afire during unrest among black workers at the Sasol oil-from-coal conversion plant at Secunda in eastern Transvaal province, Sasol announced.

A spokesman for Sasol — South African Coal, Oil and Gas Corp. — said the incident followed a day of labor unrest at the construction site of Sasol-3 refinery as a result of rumors that a black worker had been a military personnel yesterday.

The spokesman said in a statement reported by the South African Association that two vehicles, a van in which the white victim was alone and a bus, were set alight by a crowd.

U.S. Official Predicts Difficult Missile Talk

BONN, July 14 (AP) — Deputy U.S. Secretary of State Warren Christopher said today the Western allies should prepare for very difficult discussions with the Soviet Union on limiting land-based long-range missile Europe.

Mr. Christopher spoke to newsmen after a day of consultations with Foreign Minister Hans-Dietrich Genscher and other West German officials.

He met last week with Anatoly Dobrynin, the Soviet ambassador to the United States, and he plans to talk with officials in London and Paris this week.

Begin Links Arab Flags to Recognition

JERUSALEM, July 14 (Reuters) — In renewed defiance on the state of Jerusalem, Prime Minister Menachem Begin said today that Moslems could fly over the holy city only when Arab states set up embassies after recognizing Israel.

Leaving the hospital after recuperating from his latest heart attack, Begin in effect disposed of suggestions that Moslem sensibilities might be soothed by allowing Arab flags to fly over holy Islamic sites.

He told reporters, "If the 21 Arab states recognized Israel and Jerusalem as its capital, their flags could fly over their embassy buildings in the city."

Waldheim Opens Conference on Women

COPENHAGEN, July 14 (NYT) — Drawing a grim picture of the world, Secretary-General Kurt Waldheim opened the world conference of the UN Decade for Women today by urging women to seek solutions to international problems.

"At no time in the recent past has there been such widespread instability, so many volatile situations, so much distrust and misunderstanding," Mr. Waldheim said. "If the quest for solutions to the problems is to emanate from the popular level, as it must, it demands much involvement from women as from men."

His somber tone contrasted with the almost partylike atmosphere of the conference near central Copenhagen. Some of the 1,000 delegates from countries attended the first world conference in Mexico City in 1975, the Decade for Women was inaugurated. This meeting was called to mark the first five years and the goals set in 1975.

U Nu's Impending Return Stirs Excitement in Burma

(Continued from Page 1)

her brother to return. They had fled to Thailand in 1965 to play leading roles in the rebellion against Gen. Ne Win. They returned June 21, as did 40 of their followers.

Speculation about Gen. Ne Win's motives ranges from a belief that the 70-year-old former general, an ailing man whose succession is an uncertain and potentially explosive issue, is seeking national reconciliation to assure himself of a positive place in history to a simple Buddhist desire to "make merit" in preparation for his next incarnation.

Some interpret his moves as a sign of confidence, others as awareness of weakness in the face of a continuing Chinese threat, Soviet aggressiveness in Asia, economic fragility and the unpopularity of his 18-year-old regime.

Whatever the president's reasons, Burmese and foreign analysts agree that Gen. Ne Win is taking a high political risk in inviting back his most esteemed rival.

Mr. Nu has said he wants to devote himself entirely to religion, but it is widely remembered that the return of the body of United Nations Secretary-General U Thant, a far less important figure in Burmese politics than the former premier, set off a period of intense political maneuvering.

Portuguese Pilots Agree to End Strike

LISBON, July 14 (AP) — Pilots for the Portuguese airline TAP met with President Antonio Ramalho Eanes today and agreed to end their three-week walkout.

Flights were not expected to resume immediately and tough statements from both the pilot's union and the government of Premier Francisco Sa Carneiro appeared to promise further disruptions in operations of the state-run airline. Various official estimates have put the daily financial cost of the stoppage at from \$600,000 to \$1.4 million.

3 Die in Pakistan Mine

ISLAMABAD, Pakistan, July 14 (UPI) — An explosion ripped through a coal mine near Quetta, Pakistan, killing three miners and injuring four.

25 Are Reported Killed In New Tehran Executions

From Agency Dispatches

TEHRAN, July 14 — At least 25 persons were executed in Iran last night for crimes ranging from killings under the shah to espionage, drug and sexual offenses, according to press and radio reports.

The newspaper Kayhan said seven persons found guilty of narcotics charges by a court in Tehran's Qasr Prison were executed on a street in the heart of a former brothel district. The report was confirmed by a prison official.

A former deputy chief of staff, Gen. Hushang Hatami, was one of two men executed in Tehran's Evin Prison. Jail officials said he had been sentenced to death for killing people during the rule of Mohammed Reza Pahlavi, the deposed shah. The other person executed at the prison was a former officer condemned for the same offense.

Meanwhile, a special security headquarters set up to deal with the coup plot that the government claimed to have foiled last week said in a state radio broadcast today that fugitive conspirators might try to attack locations where American hostages are confined.

Two former generals are reported to have confessed their involvement in the attempted coup, which the government said was intended to restore former Premier Shahpur Bakhtiari to power.

The militants holding the hostages published in the newspaper Azadegan an interview in which one of the captives purportedly admitted to being a CIA officer and

named two high-level Iranians as contacts. The militants identified the hostage as Thomas Ahern, 48, a State Department employee. They have accused him previously of espionage.

Meanwhile, 14 persons, including two Bahai members, were executed in the northwestern city of Tabriz, according to the local Revolutionary Tribunal. Most had been convicted of drug and sexual offenses, but the Bahai members, identified as Dr. Farmanzar Samandari and Yadollah Astani, had been accused of espionage and being agents of the shah's government.

At Least One Hostage Held at Isfahan Site

(Continued from Page 1)

The desultory questioning was apparently aimed at trapping us in inconsistencies in our separate interviews.

One telling point was the frequent reference to alleged involvement of Western reporters with the Central Intelligence Agency. The interrogator cited acknowledgement of such employment by CIA officials and asked, "How can you expect us to believe that American journalists 'do not work for the CIA'?"

The interrogation was carried out by five security agents, one holding a pistol in a holster at his side. Unlike a SAVAK interrogation experted under the shah's regime, however, there was no feeling of potential violence, only uncertainty of re-

lease and inability to contact anyone outside the headquarters.

The impression was of an independent authority acting on its own, beyond control of the central government.

Several other foreign correspondents have been held longer or expelled, and many have been refused entry since the revolution — a favorite response of the shah's government, as well, to unfriendly reporting.

Richard Queen Improving

WIESBADEN, West Germany, July 14 (AP) — The health of freed American hostage Richard Queen continues to improve, he has been busy on the telephone to the United States and has spent some time with a military chaplain, his father said today.

U.S. officials said the 28-year-old Mr. Queen, released by Iranian authorities Friday after eight months as a hostage, will remain at the U.S. Air Force hospital in Wiesbaden for several more days of medical tests. He is believed to have a neurological disorder, which has caused dizziness and stiffness on his left side.

Youth Survives Cliff Fall

TOKYO, July 14 (UPI) — Makoto Hashikura, 19, survived a fall from a 260-foot cliff by landing in the branches of a pine tree growing halfway down the mountainside. He remained there a week living off rainwater until he was rescued, authorities said.

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مركز التجميل

Settling Black Hills Settlement For Sioux Likely to Take Years

By Molly Ivins

RAPID CITY, S.D., July 14 (UPI) — It took the Sioux Indians 18 years to win a settlement in the case of the Black Hills, and while no one is predicting that it will be another 18 years before the settlement is settled, it will certainly take a good while.

"Two to four years," predicted Louis Bowles, assistant to the director of the United Sioux Development Corp.

"Oh, God," groaned a tribal attorney when asked for his estimate. The Sioux were awarded \$122 million on July 1 by the U.S. Supreme Court — \$17.5 million for the 7.3 million acres in the Black Hills were thought to be worth in 1877, when the land was taken from the Indians, and \$105 million in interest.

The largest settlement of an Indian land claim to date, it came out of 58 years of court action. The difficulty in sorting out the settlement stems from the fact that there are eight more or less independently owned Sioux tribes involved as plaintiffs, six in South Dakota and

one each in Nebraska and Montana. Before any money can be paid, all must agree on a plan for dividing up the award, and this agreement has to be approved by several federal agencies and Congress.

They Want Land

Moreover, it is not certain that the Sioux will take the money. They want the land back, as they have for 103 years, and there is some sentiment against accepting the settlement if it extinguishes claims to the land itself, which is an open question.

In the Laramie Treaty of 1868, the Sioux were given the Black Hills to be "set apart for the absolute and undisturbed use and occupation of the Indians." After the Black Hills gold rush, the Sioux clashed with prospectors and settlers, leading to the Battle of the Little Bighorn in June, 1876. Congress unilaterally broke the treaty in 1877.

In place of the Black Hills, the Indians were given what today is the Badlands National Monument. Ralph Case, a lawyer in Washington, started the Sioux suit when he

was 42 years old, and it was still unresolved when he died at 77. Arthur Lazarus, another Washington lawyer, represented the Sioux before the Supreme Court.

Earl Azur, supervisory tribal operations specialist with the federal Bureau of Indian Affairs in Aberdeen, S.D., said the first step in administering the settlement would be for the Indian Claims Commission's staff to prepare a report on which of the eight tribes will share in it.

Tribal officials will meet Aug. 23 as the Great Sioux Nation to try to decide whether to accept the money.

The tribal council of the Oglala on the Pine Ridge Reservation has voted not to accept any money, asserting that the land should be returned. Lawyers disagree on what effect accepting compensation would have on a future claim on the land.

Orville Hicks, comprehensive real estate manager for the Sioux Development Corp., said that when Indians have fair claim to land now owned by whites, they generally get only money. When Indians claim land now occupied by other Indians, as in the continuing Navajo-Hopi dispute in the Southwest, they sometimes get land. If the land claimed belongs to the federal government or a state, the Indians sometimes get some land.

The federal Bureau of Land Management and Forest Service hold parts of the Black Hills. The other major owner is the Homestake Mining Co., which Mr. Bowles said takes more out of the land in annual gold profits than the Sioux have been offered. A Homestake spokesman said the 1979 gross earnings from the company's mine at Lead were \$76 million.

Opposition to the settlement comes principally from older, traditionalist Indians and younger activists. The Lakota Tribal Council and the Black Hills Sioux Nation Treaty Council, both activist organizations, have announced opposition to the settlement.

"By accepting the money we will knowingly and willingly be giving up our sovereign rights," said Larry Red Shirt, coordinator of the Lakota council.

However, many Indians concerned about the tribes' future would like to see most or all of the money put into long-term economic development programs, despite a great temptation to distribute the money to individuals, many of whom are needy. In the past, most tribes receiving such settlements have given 80 percent of the money to individuals. Under the law, Mr. Azur said, 20 percent of the money granted to each tribe must be spent on tribal programs.



INTERVIEW — Jorge Loris, Costa Rican Embassy official in San Salvador, talks to a woman and child in the building, occupied since Friday by about 100 peasants in protest of alleged government repression in the countryside.

Old Spy Stories Abound At Parley on Intelligence

By Michael Knight

CAMBRIDGE, Mass. (UPI) — Things are not quite so bad in the international intelligence community now as they were in the early days of World War I, when the president of France learned of a shift in the location of his army's general staff headquarters only after his chauffeur dated a nurse who worked there.

But despite vast technological and organizational improvements, the problems of assessing and making use of military intelligence today are essentially the same as those that faced the major powers on the eve of both world wars, experts meeting here have concluded.

Military historians and officials of the Defense Department and the Central Intelligence Agency met here for a conference on the atmosphere that evoked stories of pre-World War I intelligence organizations that refused to believe their own spies or share their information with their own governments. But it also provided evidence of new tolerance for the intelligence community.

The three-day conference was only one of hundreds that are held in this city each summer among the academics who regularly flow in and out of government. But the untroubled acceptance by the university and student communities here of this conference and its aim of aiding intelligence-gathering agencies by studying the lessons of the past marked a subtle turning point in the atmosphere. Half a decade ago such a conference could not have been held without at least a measure of protest, but this month there was not even one leaflet or picket sign.

'Intimately Involved'

"Harvard has always been intimately involved in the diplomatic and military spheres, at least since President Woodrow Wilson's time and the League of Nations, and the period of the late '60s and early '70s was only an interruption of that," explained Ernest May, a professor of history at Harvard who organized the conference.

"There are questions important to historians that are also important to the intelligence community today — questions about the flow and interpretation of information and how it is assessed in light of the social, cultural and political issues of the day," he added.

That view was shared by a CIA intelligence officer. "Obviously we are in the business of assessing intelligence and anything that can be learned from the past is of interest to us," he said. "And the pre-World War I period was a period of intense failure in terms of intelligence."

The failures were sketched by the panelists, who said their research showed that the Russian imperial intelligence organization had a yearly budget in current terms of only \$600 and was occupied most of the time with checking on the loyalty of army officers.

Bastille Day Dinner

Another panelist told of a French intelligence organization that had only five officers at its headquarters and five in the field and regularly underpaid its messenger budget, while reserving funds for an annual Bastille Day dinner.

Both Russia and France, the panelists said, suffered from a rightist military establishment deeply suspicious of a liberal or left-leaning government. They also had gone through civil wars and revolutions that led to almost as many internal cloak-and-dagger actions as foreign intelligence operations.

The two main intelligence failures cited in that period were the refusal of the French general staff to believe evidence gathered as early as 1903 that the German Army was planning to attack France through northern Belgium, which it did, and the disclosure by the French in the weeks before the beginning of World War I in July, 1914 that they possessed the key to the German secret code.

That disclosure resulted, according to Christopher Andrew, from Corpus Christi College in Cambridge, England, from an illicit love affair and the murder of one participant over a bundle of love letters.

Thatcher Will Visit Greece, Yugoslavia

LONDON, July 14 (Reuters) — Prime Minister Margaret Thatcher will visit Greece and Yugoslavia late in September for talks on world issues and trade and bilateral relations, British officials said today.

Thatcher last visited Belgrade in May for the funeral of Tito. It will be her first visit to Greece since she became prime minister in May of last year.

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34, FAUBOURG-ST-HONORE (87)

Foreign Interference Feared

Campaign Violence Grows in Jamaica

By Jo Thomas

KINGSTON, Jamaica, July 14 (UPI) — The daily count of dead and wounded in the violence in the Kingston slums has become a statistic as commonplace as the weather report. Recently, a youth was stabbed to death and set afire by killers who fought off horrified passers-by, a child was shot in school, a police station was attacked with guns and bottles.

The violence has grown since a parliamentary election was announced in February, and more than 250 have died since then. Its origins, other than poverty, are not clear. Some killings seem political, some drug-related, some simply criminal or familial.

The opposition Jamaica Labor Party has accused the governing People's National Party of stirring up violence to a state of emergency can be declared before the election. The opposition contends that the state of emergency declared to curb violence before the 1976 election, in which Prime Minister Michael Manley was returned overwhelmingly, was actually an effort to curtail their campaign.

Mr. Manley has answered by pointing out that it was he who called the election in the first place, a year before it was required by statute.

Fear of Interference

The violence has brought charges from each party that the other is planning to use foreign help to forestall a fair election, scheduled to take place in October. The campaign is likely to be a test not only of democracy in Jamaica but also of the restraint of both the United States and Cuba, whose names are constantly being dragged in.

"There is a growing fear of a military solution," said Edward Seaga, leader of the Jamaica Labor Party. He added that he was apprehensive that the Manley government would call for help from Cuba or Cuban-trained Jamaicans. Though he thought it unlikely that the government would need outside help to keep order, Mr. Seaga said that he thought its likelihood had increased.

Mr. Manley also has deplored the violence.

Last week, gunmen fired on the home of a U.S. official, Richard Kinsman, two days after the Covert Action Information Bulletin, a Washington-based publication, linked Mr. Kinsman and 14 other embassy members to the Central Intelligence Agency, Louis Wolf, co-editor of the publication, also accused the United States of trying to undermine the Manley government, which favors democratic socialism and friendly relations with Cuba.

Asked about Mr. Wolf's allegations, Mr. Manley replied: "I am not going to make any charges against anybody. I can't prove them, and I can't prove anything against anybody. But anybody who

has lived through Jamaica in the last year knows that there is a calculated and deliberate destabilization program at work. And I am not saying that the CIA is involved in destabilization."

Mr. Manley and his party have been particularly critical of The Daily Gleaner, a newspaper that has consistently supported the opposition and raised alarms about the government and the Cubans. Members of the opposition ridicule and discount the news on the state-underwritten Jamaican Broadcasting Corp., which has frequently mentioned suspicious about CIA activities.

Meanwhile, denunciations of Cuban diplomats, centering on Ambassador Ulises Estrada, have been far more vehement and frequent. Mr. Seaga raised questions about Mr. Estrada's background and accused Cuba of sending agents disguised as teachers and doctors into Jamaica.

In September, Mr. Estrada deplored the allegations by the opposition and accused the Gleaner of lying. The ambassador was then accused of trying to threaten Jamaica and the newspaper. Mr. Seaga demanded that Mr. Estrada be declared persona non grata; the prime minister refused.

The controversy heated up again in May when the authorities confiscated a shipment of 200,000 shotgun shells from Miami to a concern managed here by Ruperto Hart, a Cuban. Documents indicated that the shipment was destined for Jamaica although Dudley Thompson, minister of National Security, said it was in transit to Cuba.

Amid these controversies, 33 men were apprehended June 22 on suspicion that they were plotting to seize the prime minister, the army and the army chief of staff and force the government to resign. The alleged conspirators came from two groups no one had even mentioned in the heat of the campaign: the Jamaica United Front Party and the Jama-

Morocco Strafed Ships off Africa, Cuban Aide Says

LAS PALMAS, Grand Canary Island, July 14 (AP) — Cuba's consul here blamed the Moroccan Air Force today for a strafing attack on two Cuban ships off the west African coast that killed one ship captain and gravely injured three crewmen. The Moroccan government had no immediate comment on the charge.

The Cuban news agency Prensa Latina reported yesterday that two warplanes carrying no identification marks strafed two Cuban ships, delivering fuel to Cuban tuna boats, 30 miles off the coast of the Western Sahara on Saturday. Morocco has been fighting with the Polisario Front guerrillas for control of the Western Sahara.

Consul Jesus Fernandez Ponce said crewmen reported that a small plane flew over their ships, apparently to identify them, and that the attack came immediately afterward, without warning, from two Moroccan fighters. According to their accounts, he said, the strafing was so brutal that "the two fighters must have run out of ammunition" before they flew away.

Mr. Fernandez Ponce said the three injured crewmen and the body of the captain arrived in Las Palmas early today aboard a Spanish Navy destroyer that was rushed to the scene, about 140 miles west of the Canary Islands. The two Cuban ships were to arrive in Las Palmas later today, he said.

Oregon Peak Quiet After Earth Tremors

VANCOUVER, Wash., July 14 (AP) — Mount St. Helens quivered yesterday but Mount Hood lay quiet as scientists in Washington and Oregon monitored the two volcanoes for hints of an impending eruption. The mountains are about 70 miles apart on opposite sides of the Columbia River.

Twelve earthquakes were recorded early Saturday on Oregon's Mount Hood, but scientists remained uncertain whether the 11,245-foot (3,408-meter) peak would erupt. Mount St. Helens, in Washington, showed similar activity before it began belching steam and ash last March 27.

The failures were sketched by the panelists, who said their research showed that the Russian imperial intelligence organization had a yearly budget in current terms of only \$600 and was occupied most of the time with checking on the loyalty of army officers.

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34, FAUBOURG-ST-HONORE (87)

California Votes to Move North's Water Southward

By Gladwin Hill

LOS ANGELES (UPI) — After 10 years of debate and political maneuvering, the California legislature has authorized what could be one of the biggest engineering projects in history — moving water from the rivers of California's north and southern sections of the state.

Estimates of the cost range from \$1 billion to \$2.3 billion. The program voted last week is the second phase of the State Water project, a \$2-billion complex of dams, reservoirs, power plants and canals built from 1960 to 1973. This stage would be more of the same, roughly doubling the flow of water southward.

Supporters contend that without southern California and the San Joaquin Valley could run short of water in 20 years as the state's population of 22 million increases. It is disputed by residents of the north who do not want to part the water, as well as by many units of Southern California who do not like the cost, and by environmental groups.

Population in South

he heart of the controversy is that most of the precipitation in California is in the north and most of the population is in the south.

Dwellers have long and vainly claimed that 85 percent of the water used in the state is used in the urban areas. That is a half-dozen different figures from the premiums farmers pay on water to below-average federal projects under the nation's taxpay-

ers. These conflicting interests have produced an informal coalition of southern and central California interests, notably some large agricultural enterprises and the Metropolitan Water District, the agency that wholesales water to agricultural and urban districts. After months of legislative bickering, the coalition mustered a 60-vote majority that passed the bill last week in favor of the project.

The heart of the project is a proposed 400-foot-wide, 43-mile-long canal, which would carry water from a point on the Sacramento River to the main State Water Project intake west of Stockton.

In addition, the legislation calls for two big reservoirs and power plants upstream on the Sacramento, two more storage reservoirs and power plants at the southern end of the canal, two underground reservoirs in Southern California and some auxiliary facilities.

The complex would take 20 years to complete and cost \$5 billion, according to the measure enacted. However, a report by specialists at the University of California placed the basic cost at \$7 billion. Others think inflation and rising interest rates may push the cost to \$10 billion or \$15 billion. Still others think that related project facilities not covered in the current authorization may run the ultimate cost to \$23 billion.

Some economists are skeptical about the chances of underwriting the bonds and about the marketability of the bonds.

Some also doubt that the project can be pursued without federal involvement. The initial portion of the State Water Project is intertwined with the federal Central Valley Project, a power-and-irrigation complex started in the 1930s.

Federal officials have shown a disinclination to participate in the projected expansion.

U.S. Nuclear Plants List 2,300 Slipups

By Joanne Ormang

WASHINGTON, July 14 (UPI) — The nation's nuclear power plants have 2,300 technical violations, mechanical failures and other glitches during 1979, and the North Anna plant of Virginia Electric & Power Co. (Vepco) reported more than any other unit.

However, it is not clear just what that means. Ralph Nader's anti-nuclear Critical Mass Energy Project, which took release of the study of last year's "licensee event reports" on file at the Nuclear Regulatory Commission, said the listing was distressing.

"It is a profile of an industry rushing headlong toward another Three Mile Island," project director Richard Pollock said in a reference to last year's nuclear accident in Pennsylvania. Industry members, however, said that reporting lots of events of this kind indicates more safety consciousness than danger.

"In reality, licensee event reports (LERs) are the least serious category of reportable incidents," said James Rhodes, manager of nuclear technical services for Vepco. The 130 LERs filed for North Anna I, he said, "indicate Vepco's commitment to scrutinize carefully every aspect of safe nuclear operation."

Called Misleading

He called the Critical Mass report misleading and deceptive. Vepco spokesman August Walmeyer added that North Anna's tally may be higher than those of other plants because Vepco reports each problem individually and because many LERs are "judgment calls" that can be reported or not. "Our policy is that we want to share the experience," he said.

At Vepco's Surry II, however, there apparently were fewer experiences to share. The plant at Gravel Neck, Va., had the sixth fewest LERs, sending in only 11 during 1979.

Critical Mass said in its study that the reported events ranged from minor things such as a misplaced water sample up to serious hazards like cracks in the rods that control the nuclear chain reaction.

Although most LERs involved equipment difficulties, 25 percent resulted from human error. Valve leaks at the Prairie Island plant in Minnesota went unchecked because maintenance personnel were on vacation, the report summary said. Valves to the core cooling system of the Sequoyah I plant in Tennessee were found to be too heavy to open properly in the event of an accident.

The nuclear commission's own internal study of the Three Mile Island accident last year strongly criticized the agency for having no systematic procedure for evaluating and acting on the LERs. A special team to organize that was set up in April, but will not recommend a procedure until February.

Considered Necessary to Protect New MXs

Anti-Ballistic Missile System Making Comeback in U.S.

By Walter Pincus

WASHINGTON, July 14 (UPI) — Another swing in the strategic pendulum, the anti-ballistic missile system is making a comeback. Support comes from politicians, defense officials who see ABMs necessary to protect the new MX intercontinental ballistic missile either or not it goes into a mobile silo system.

This new strategy of using ABMs to protect hardened missile silos rather than open cities also makes the system more practical.

Another group of boosters are policymakers who would rather postpone spending billions on the MX deployment plan than put several hundred million in research on an ABM program that might pan out in the future.

ally, there are the hard-line, Soviet officials and members of Congress who want an ABM system in order to destroy SALT-1, thus, they hope, undermine any arms control negotiations with the Russians.

Limit Agreement

In 1972, the two superpowers agreed to limit ABM sites to two each, a number cut to one several years later.

The publicly announced reason is the ABM treaty was that if one side or the other built a system that actively protected its cities from missiles of an opponent, it would feel free to launch a first strike ICBM attack of its own without fear of a devastating response. In fact, it is now generally recog-

nized by scientists and military men that neither side in 1972 was close to developing a workable ABM system to protect cities.

The U.S. system, for example, had long-range large-rocket, nuclear-tipped Sprint missiles that were to intercept incoming Soviet warheads in space. Those warheads that got through the Sprint blast were to be targeted by ground-based radar that would direct Sprint interceptors.

It was subsequently discovered that the Sprint explosions would create large areas of the atmosphere where the radars used to direct the Sprint could not operate. The radars were vulnerable to an attack that could blind the entire system; and finally the computers attached to the radars were incapable of keeping up with the incoming warheads.

Research Continued

Although the SALT-1 treaty halted deployment of new ABM sites, both countries were permitted to continue research on missile defense systems — and both did.

The roughly \$250 million that the Pentagon has put into exploring ABM technology in the last eight years has begun to pay off. Even ABM critics admit that. But everyone also agrees that serious hurdles remain before a workable system is in hand.

As now conceived, the future ABM will, like its predecessor, have both long-range and short-range interceptors. That, however, is where the comparisons end.

The heart of the new long-range system is an airborne rather than

ground-based detection and guidance system. At the initial sighting of a Soviet launch, from satellites in orbit above the Soviet Union, the United States would fire several rocket-borne probes in trajectories that would keep them above the atmosphere. Each probe would contain an infrared telescope that would scan the pathway of the launched Soviet rockets.

Sensitive Infrared Devices

The highly sensitive infrared devices would be able to detect the big pieces of the Soviet missiles, such as the initial stages and fuel tanks, at ranges of 5,000 kilometers. They also could see, after some minutes, the smaller objects, including the buses carrying many warheads and single warheads that were launched.

All this data would probably be pumped into the probe's onboard computers, which would distinguish real warheads from decoys and then compute their potential impact points on U.S. soil.

That information would go to a central battle computer that would decide which targets would be defended and which interceptor rockets should be launched.

The long-range interceptors, also guided by infrared sensors and their on-board computers, would carry and launch their own dozen or more nonnuclear kill vehicles.

The long-range system thus avoids two of the major flaws of the old ABM system. Its guidance systems are invulnerable since they are airborne; its kill system will not make it impossible for ground-based radars to continue functioning.

The homing sensor in the nonnuclear kill vehicle had not been flight tested but has been studied extensively in computer simulations. Scientists are designing both a conventional explosive and fragment array nose for the device.

The idea is to strike the Soviet warhead in space hard enough so that its explosives detonate or at least part of its heat shield is cut away so that during re-entry into the atmosphere it would burn up.

The new second line of this modernized ABM system is termed LOADS (for Low Altitude Defense System) and parallels the concept planned in 1972. However, it would be used only for missile fields and its intercept of incoming warheads would take place only a few kilometers above the ground.

The Senate Armed Services Committee was impressed enough with the LOADS concept to recommend an acceleration and the full Senate went along with authorizing an additional \$25 million for the program in fiscal 1981.

ABM supporters are aware that the SALT-1 treaty would have to be abrogated before the U.S. tests some components now planned for the new missile defense system — particularly the nonnuclear interceptors — since the treaty bars either side from testing interceptors with more than one warhead.

A handful of Senate Republicans — many opposed to SALT-1 — joined in an amendment to the fiscal 1981 defense authorization bill that directs the defense secretary to report to Congress by Feb. 1 on the future of ABMs.

ca Defense Force, which, unlike other Caribbean armies, has been both stable and apolitical.

7 Killed by Gunmen

KINGSTON, July 14 (UPI) — Gunmen murdered seven members of the People's National Party yesterday morning, shooting each victim in the head several times. Two of them had once reported receiving death threats from Jamaica Labor Party supporters, police said.

They said that the gunmen, believed to number eight, kicked down the front door of a wooden house in West Kingston's Green-wich sector, then killed the four women and three men. A 15-month baby and a 7-year-old girl were forced to watch as their mother was shot, police said.

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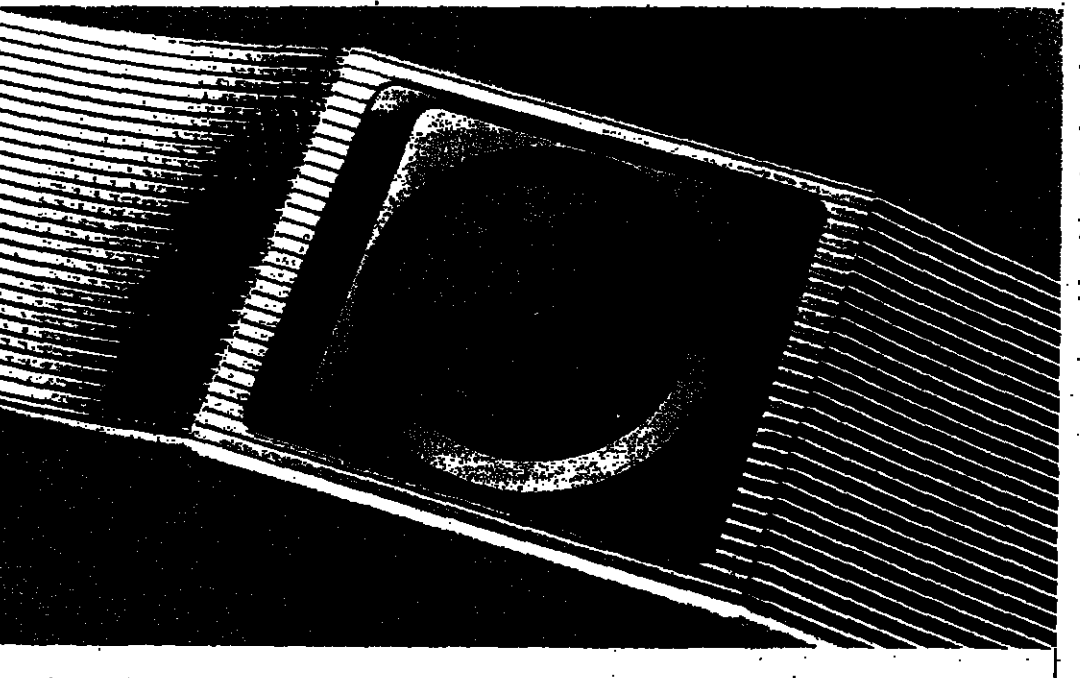
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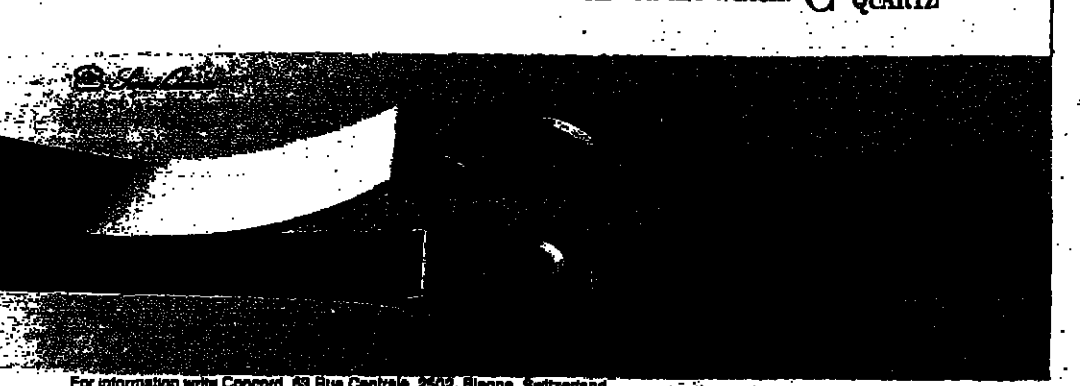
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New Index: 488.47 Previous: 487.29
 Nikkei-DJ Index: 6,779.36 Previous: 6,779.36

Move to Consolidate

European Carmakers Mirror Detroit Woes

By Barry James

ONDON (UPI).—The woes of Detroit are mirrored in Western Europe, where a widespread crisis in the automobile industry is at the edge of the deepening recession.

After a successful 1979 and a start to the year, sales have plummeted in all major markets in the United States, a trade

slight by Japanese manufacturers is widely blamed for the growing unemployment lines in the car industry and the stockpiles of unsold cars.

Last year, Japan sent 606,000 cars to the United States, but only 38,000 European cars in

Lopsided Trend

A lopsided trend is not unique to the Europeans. Last year, Japan imported one-third of its cars from the U.S., but is expanding its own auto

at the rate of 10 percent a year. Last year produced 6.2 million cars, and now claims to have overtaken the United States as the world's largest car manufacturer.

The threat posed by the Japanese is one of the most serious facing the car industry in Europe, says the Fiat motor

company's Giovanni Agnelli.

In Britain, both management and unions at the ailing, state-owned B.L. company, formerly British

and have called for import restrictions on Japanese cars.

Noting that imports now account for nearly six out of every 10 new cars in Britain, the Transport

General Workers Union, the car industry's largest, is demanding a

ban on foreign cars beginning in 1982.

The Japanese challenge is especially ironic for Nissan, the

manufacturer of Datsun cars, was

helped to its feet by the Austin

motor company, now part of B.L.

For years, Nissan produced Austin models under license. Now B.L.

is pinning its chances for survival partly on the success of a medium-sized car it will produce under

license from the Japanese Honda motor company.

Some in the industry see the B.L. Honda tie-up, and a similar deal

between Nissan and Italy's Alfa Romeo company, as a Trojan horse

for further Japanese penetration into the European market.

But experienced observers say the

deals are part of a trend that will

increasingly bring together manufacturers with complementary

technologies and markets. The experts

predict that within a few years, the

industry will be dominated by only

eight or nine manufacturers with resources and production runs big

enough to make "world cars" that will be sold with only minor

variations around the globe.

That trend already is apparent as

European manufacturers combine to build engines or gearboxes, and

U.S. cars increasingly come to resemble European ones.

Inter-Company Links

Etienne Davignon, EEC commissioner for industry, says European car manufacturers should be thinking more about inter-company links aimed at improving productivity

and efficiency, as well as joint marketing projects in countries outside the community.

"It is better to start thinking about the future when things are going rather well, which still is the case with the European car industry," Mr. Davignon said, without

referring to its current troubles.

He said manufacturers should at least double the amount they spend on research and innovation to keep

abreast of the challenge from Japan and, to an increasing extent, from

the United States.

European manufacturers are deeply conscious of the fact that the U.S. car industry will emerge from

its present travails in a year or two with a range of down-sized autos

that will be able to compete directly with European cars in home and

third-country markets.

They also fear that if President Carter restricts imports, they will be

disadvantaged not only in the U.S. market but will also have to cope

with an even bigger flood of Japanese autos diverted to Europe.

A shakeout in the industry in coming years in which only the fittest will survive seems inevitable.

But there is by no means universal gloom about the future.

"Throughout the postwar period the European car industry has had

to compete for domestic markets, and later for external markets,

against strong competitors from abroad," Mr. Davignon said.



Are the golden arches losing their glitter?

McDonald's Seen Flagging Following Years of Growth

By Isadore Barnash

NEW YORK, July 14 (NYT).—Is the hamburger slipping as the

piece de resistance for hungry Americans on the run? Has McDonald's,

with more than 5,700 fast-food restaurants around the world, fallen

out of step with the marketplace? Will the gleam on the golden arch

begin to fade?

A recent study on U.S. restaurant industry trends by Sanford C. Bernstein & Co. indicates these are valid

questions.

"McDonald's appears to be at a crossroads in its development," said

Carl DeBiase, senior analyst at Bernstein. "For the past three or

four years, the company has been coasting on the momentum estab-

lished in its many years of balanced growth," he added.

"In the past five years, however, while the United States economy

was in expansion and McDonald's net income was growing rapidly, a

number of inimical forces have been developing that now have the

power to seriously threaten the company's growth potential."

If the fast-food champion is to preserve its above-average earnings

prospects, it must do something to improve its real average store sales,

which have been in a two-year decline, the analyst suggested. More-

over, he said, if the breakfast portion of sales is excluded, real sales

have been essentially flat for seven years and about 7 percent below the

1977 peak.

In addition, Mr. DeBiase points to lower profit margins for com-

pany-owned stores since 1976 — currently about 12 percent below their

historical high — and an even worse trend among licensees' profit

margins. McDonald's capital turnover has been declining since 1976-77, he

added, with the decline particularly acute in the United States.

The Bernstein study projects a decline in McDonald's growth in

earnings per share to 14 percent compounded over the next five

years against growth of 20-25 percent in 1974-79.

Another analyst does not quite agree. Projecting growth of 17-19 percent in per-share earnings in the

next five years, Michael Esposito, vice president of Oppenheimer &

Co., believes that McDonald's new-store growth has stabilized at an

average of 500 units a year after a recent downward trend.

U.S. Study Said to Favor Liberal Bank Laws

By Clyde H. Farnsworth

WASHINGTON, July 14 (NYT).—A long-awaited White House study recommends liberalizing laws

that restrict interstate bank mergers and electronic banking across state

lines, according to administration officials. The changes are recom-

mended as part of a major restructuring of the banking industry.

The report, ordered by Congress in 1978 and still not completely finished, is expected to be published

later this month. The officials said late last week that it called for

changes to let banks compete more vigorously against financial entities not similarly governed, such as

some mail order companies and investment houses.

But the report also raises issues that have long divided the banking

industry, the officials said. Small, locally owned banks have opposed

changes that would permit entry into their regions by the large mon-

ey-center banks. One fear is that out-of-state institutions would not

be especially interested in the smaller communities and would siphon off money to larger cities.

The report, which was prepared by an administration study group

under Robert Carrow, deputy secretary of the Treasury, and Orrin

Cramer, associate director of the White House domestic policy staff,

does not make specific legislative proposals. It is intended primarily

as a vehicle for discussion within Congress and the banking industry.

Looking toward the possibility of legislation next year, a House financial institutions subcommittee head-

ed by Fernand St. Germain, D-R.I., is tentatively planning hearings on

the whole question of interstate and

foreign banking competition in late September.

The issue of whether to liberalize restrictions against interstate branching has been skirted, the ad-

ministration officials said.

The main analytical thrust of the report is that technological changes, such as the availability of machines that offer a wide range of banking

services electronically, and the growing competition from nonbank

financial institutions are inconsistent with the laws that limit banking

operations.

Among the competitors are such enterprises as Sears, Roebuck,

which offers financial services as well as merchandise, and Merrill Lynch, Pierce, Fenner & Smith, the

brokerage house that operates many bank-like services.

The report, which has not yet been approved by President Carter,

proposes liberalization of the Douglas Act of 1956, which prohibits a

bank holding company from acquiring a bank in another state unless

specifically authorized by the legislature of that state.

But the administration has not yet made any decision on specific

recommendations for modifying the Douglas Act.

Earlier this year the Federal Reserve Board, the Comptroller of the

Currency and other bank regulators proposed legislation that would per-

mit an interstate acquisition of a failing bank. But such a measure,

intended as an insurance policy against banking difficulties during

the current recession, stands little chance of passage this year.

Gold Outshines Oil as Investment Leader

By Nancy L. Ross

WASHINGTON, July 14 (WP).—A golden age this is not — it is, however, an age of gold.

According to Salomon Brothers' latest index showing the performance

of 15 tangible and financial assets, the price of the glittery metal

increased 104 percent in the year ending June 1, 1980. Petroleum —

"liquid gold" — proved almost as good an investment, rising 92.4 per-

cent. Bonds, which had a negative return of 3.2 percent, languished at

the bottom of the index.

"It seems clear that the confrontation between tangible and financial

assets still is being won decisively by tangibles," declared Robert

Salomon Jr., a general partner in the New York brokerage firm. Its

10-year index indicates gold, oil and bonds occupied the same relative

positions a decade ago, although

the differences in returns were not so wide.

This is the fourth consecutive year that Salomon Bros. has published its index for the increasing

numbers of individual and institutional investors interested in holding

real goods — or certificates of ownership — as hedges against inflation.

Those objects or commodities ranked on rate of return are, in addition to gold and oil, Chinese cer-

amics, stamps, rare books, silver, coins, Old Master paintings, dia-

monds, farm land and housing. The financial assets are stocks, bonds

and foreign currencies.

Gold's brilliant performance resulted from a 104 percent price rise

from \$274.60 a troy ounce on June 7, 1979 to \$535.30 a year later, al-

though between those dates gold threatened to break the \$1,000-an-

ounce barrier.

Silver wound up in third place,

down from top investment of the year in 1978-79 when it racked up a

62.5 percent gain. Like gold, silver also took a roller coaster ride this

year, up to \$50 an ounce and back before settling at \$33.55 on June 1,

1980. Twelve months before, silver was selling at just \$8.50 an ounce.

All other tangibles paled before these precious metals and oil. Rare

stamps appreciated 43.2 percent, less than the 60.9 percent they went

up the previous year.

The price of U.S. coins and diamonds increased by about 25 per-

cent, a hefty rise over the previous year when their prices grew by just

10 and 4 percent respectively. (The diamond index is based on DeBeers

wholesale prices for all grades and sizes. Therefore, the appreciation is

considerably less than that of investment-grade diamonds, the measure

used by brokers and dealers.)

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Energy Is Key to Comecon Economies

(Continued from Page 7)

rate automobiles limit private energy consumption.

Some analysts are more blunt in their assessment and maintain that "as such as 'excessive energy in-'

efficiency" are simply euphemisms for

inefficiency.

"Totally Insecure"

Mr. Machowski remarked, they're totally insecure about the

ire. No one knows what to do to

vent things from getting worse."

lack of markets and freely-mov-

ing price systems prevents Eastern

European policy makers from easily

accepting the consequences of their

decisions, he noted.

Moreover, the growth rates of

Eastern European economies have

slowed and fallen short of plan

goals in recent years, leaving even

less room for maneuver to confront

the energy crisis.

A study by Klaus-Dieter Woeste

of Westdeutsche Landesbank Giro-

zentrale points out that "in 1979,

for example, growth of 5 percent

was planned, but a rate of 1.8 per-

cent was achieved."

Mr. Woeste blames the falling

growth rate in part on "the exhausted

labor pool" which makes it necessary to achieve economic advanc-

countries in the late '60s and early

'70s, Mr. Woeste notes that large

capital goods investments were

made with Western assistance.

Many of the capital projects were

not finished on time, he adds, with

rising energy and raw materials

prices overtaking the delayed projects

to siphon off capacity for sup-

plemental or new investments in

Western technology.

In Prague, the Soviet Union

made it clear that it would not solve

Eastern Europe's energy problems

by increasing oil deliveries, at least

not at cheap intra-bloc prices, ob-

servers say.

5-Year Plan

Soviet Premier Alexei Kosygin

told Comecon members that Mos-

cow would increase oil exports to its

Eastern European neighbors by

about 2 percent annually during the

next five-year plan period.

Experts, however, see energy consumption

rising by 3-5 percent annually in Eastern Europe.

The Soviet stand, analysts say,

does not mean that Moscow will

not sell Eastern Europe more oil if

it has a surplus available, but it will

sell oil above the plan level only at

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Neither side was vulnerable. The

Deal	West	North	East	South
10	Pass	25	Pass	Pass
26	Pass	48	Pass	Pass
41 N.L.	Pass	10	Pass	Pass
66	Pass	Pass	Pass	Pass

